

CHAPTER 97

(Senate Bill 153)

AN ACT concerning

Maryland Medical Assistance Program – Right of Subrogation

FOR the purpose of establishing for the Department of Health and Mental Hygiene the right of subrogation against funds received from a Medical Assistance Program recipient's uninsured motorist coverage; clarifying that certain persons shall hold money for which the Department has a subrogation claim after receiving written notice of the subrogation claim; and generally relating to the Department's right of subrogation against funds relating to the Maryland Medical Assistance Program.

BY repealing and reenacting, with amendments,

Article – Health – General

Section 15-120(b) and 15-121.1(b)

Annotated Code of Maryland

(1990 Replacement Volume and 1992 Supplement)

BY adding to

Article – Health – General

Section 15-121.2

Annotated Code of Maryland

(1990 Replacement Volume and 1992 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Health – General

15-120.

(b) (1) Any Program recipient or attorney, guardian, or personal representative of a Program recipient who receives money in settlement of or under a judgment or award in a cause of action in which the Department has a subrogation claim shall, AFTER RECEIVING WRITTEN NOTICE OF THE SUBROGATION CLAIM, hold that money, for the benefit of the Department, to the extent required for the subrogation claim, after deducting applicable attorney fees and litigation costs.

(2) A person who, after written notice of a subrogation claim and possible liability under this paragraph, disposes of the money, without the written approval of the Department, is liable to the Department for any amount that, because of the disposition, is not recoverable by the Department.

(3) The Department may compromise or settle and release its subrogation claim if, in its judgment, collection of the claim will cause substantial hardship:

(i) To the Program recipient; or